

Leading the Future of the Public Sector: The Third Transatlantic Dialogue
University of Delaware, Newark, Delaware, USA

May 31–June 2, 2007

Workshop [6]: [Ethical Leadership in the Context of Globalization]

“Globalisation of Corruption” and Development of the Binom “Corruption-Public Integrity” in the Context of Romania Integration into the European Union

Prof. Dr. Lucica Matei, Prof. Dr. Ani Matei

Contact for correspondence:

[Lucica Matei]

[National School of Political Studies and Public Administration]

[Bucharest]

[Romania]

[lmatei@snsps.ro]

[+40213180894]

ABSTRACT

In the context of globalisation, the issue of corruption acquires specificity, deriving, on one hand from the diversification of the modalities to corrupt or to be corrupted and on the other hand, from multiplication of the means to fight against this phenomenon.

The binom corruption-public integrity becomes a motto of the speeches held by politicians and generally those invested with leadership functions by the society.

It is unanimously recognised the fact that a relevant indicator of an ethical leadership refers to the level and social perception of corruption.

Speaking about “the devastating effect of globalisation on the developing countries and especially on poor populations”, J. Stiglitz (2002) allocates large spaces to corruption, referring to “the cases of foreign investments”, “capitalism based on favouritisms and mafia-typed connection” or “privatisation”. Including integration into the European Union as a form for expressing globalisation in the European area, it is worth to analyse some consequences of this process on the evolution of the binom corruption-public integrity.

When we speak about “globalisation of corruption” we refer to some conclusions emphasized by the specialized literature and studies.

Without trying to make a hierarchy of those conclusions, we shall refer first of all, to its multiple facets that by chance or not, are overlapping the modalities for expressing globalisation on economic, cultural, political level and as well as on the public sector reform.

If we analyse an outstanding paper about corruption of Rose-Ackerman, S. (1999), we shall find out that three from the four basic chapters focus on approaching corruption as an “economic [1], cultural [2] or political [3] problem”.

I.1. Globalisation and corruption in the public sector.

General aspects.

In that paper, situating corruption in the public – private interface, the sub themes aim specific topics for the public sector, out of which it is worth to mention the following: corruption at top civil servants level, public programmes reform, civil service reform, pressure on public administration etc. At the same time, it is worth to emphasize the endemic characteristics of corruption in various regions as well as the relations between democracy and corruption with its various modalities of expression, i.e. buying the votes and political influence or even control by political power.

In the above briefly described context, the public sector reform, or better said the public management reform becomes an issue on the working agenda of governmental authorities.

We find these preoccupations both in the developed and developing countries. For the first category, an eloquent image about those preoccupations is provided by the reports and studies achieved by OECD Public Management Service, published in the paper: “Governance in Transition: Public Management Reforms in OECD countries” (1995). “A performance-oriented and consequently customer-oriented public administration represents the key focus of any strategy of reform.” [4]

It is obvious that implementation of this principle gets characteristics of globalisation, being undertaken also in the strategies of reform for the public sectors in the developing countries.

Another perspective, interesting for the proposed study is provided by E.J. Stiglitz’s paper, (2002), stating about “the devastating effort of globalisation on the developing countries, and especially on the poor populations” [5], awarding, in context, large spaces to corruption phenomena, referring to “cases of foreign investments” [6], “capitalism based on favouritisms and mafia-type connections” [7] or “privatisation” [8].

Based on the analysis concerning the relations between market, state and social opportunity, Sen, A. (2000) presents “the social services provision and incentives” [9], emphasising a series of possible distortions due to information asymmetry, i.e. “the administrative costs, immense losses and corruption” [10]. The phenomenon, described as “power asymmetry, by which the ‘bureaucrat monarchs’ have the power to grant benefits for which the beneficiaries are disposed to pay” will lead, consequently to “a greater possibility of corruption” [11].

The author presents a more profound approach concerning the ethical values, policy-making, for the latest asserting the following:

- “justice is a central concept in identifying the objectives of a public policy and decision about the adequate instruments in order to achieve the targets;

- all public policies depend on how individuals and groups behave in society. Those behaviours are influenced by understanding and interpreting the needs of social ethics” [12].

The perspective of social ethics and the relation with corruption in the public sector provide to Sen the opportunity to extend the analysis on the causes and consequences of corruption. “Dominance of corruption”, as defined by the author is really seen as one of the greatest obstacles for the economic progress. The high corruption level could provide negative effects on public policies effectiveness” [13]. Specific for the public sector, a series of attitudes are identified, by which some legislative regimes encourage corruption, providing discretionary power to the civil servant, who may award favours, representing a large amount of money.

At the same time, as asserted also by Campante, R.F., Chor, D., Do, Quoc-Anh, the temptation to be corrupt is more powerful when the civil servants hold great power. In fact, the above-mentioned authors achieve their analysis within a framework taking into consideration political stability and corruption, emphasising two effects [14]:

- *the time horizon effect*, namely greater instability leads to higher corruption for those holding the power, taking advantage of this short opportunity;
- *the demand effect*, namely the private sector is more eager to bribe the politicians who are politically more stable.

Coming back to Sen, A (2000) paper, he associates to the civil servants holding the power the material situation, relatively modest, leading to increase of corruption temptation.

“It happens at inferior levels of administration, explaining why corruption infiltrates at the basis of the democratic system, involving both middle civil servants and those on superior levels” [15]. Prevention and fight against corruption become up to date. The direct motivation of corruption is to have a certain profit, thus its eradication becomes very difficult.

The specialised literature emphasises the possible partial efficiency of the organisational reforms and systems for inspection and sanctions for cutting off corruption. Their coverage area is relatively limited. It is worth to reiterate the example described by the Indian political analyst from the 4th century B.C, Kantilya, who made the difference between forty different ways in which a civil servant may be tempted to become corrupt from the financial point of view and he described how a cash payment system, followed by sanctions and rewards can prevent those activities [16].

These arguments together with other assertions lead to supporting the opportunities to promote national or supranational strategies for the fight against corruption, or better said for ensuring public integrity.

I.2. Political determinations of corruption in Central and Eastern European countries.

Corruption profile.

Continuing the above-mentioned analyses, we can reveal an important conclusion, namely political determination of corruption phenomenon.

To the arguments derived from specialised literature, we may add those from analyses and reports of important forums or international organisations, such as the World Bank (WB) or Transparency International (TI). The latest asserts an important conclusion: the areas and

institutions most affected by corruption remain the political parties (4.0), parliaments (3.7), police (3.6) or judiciary (3.5) [17].

Without trying to ignore the details, the situation could be interpreted as worrying, because, at least during the last years, the main actors perceived to be most corrupted remain the political parties and parliaments. Table 1 presents the evolution of the sectors and institutions perceived to be most corrupted.

A comparison between the world level and that of South - Eastern European countries reveals the exceeding of the indicators for quasi majority of the sectors or institutions, varying between 0.2 for media, reaching 1.0 for the medical services, 0.8 for education services or registry and permit. Romania, as country in South - East Europe records, for 2006, lower values than the regional average, excepting the political parties, where it exceeds the regional level with 0.1.

Unfortunately, the above situation is associated to a negative appreciation about the effects of the governmental authorities' actions concerning the fight against corruption.

Thus, as it results from TI reports, [18] on South - East Europe level, that only 27% of the population appreciate those actions as effective or very effective and an important part of the population (9%) consider that those actions even encourage corruption. In Romania case, the perception about the effectiveness of the actions under discussion reveals even a lower percentage (16%) of those appreciating as "effective" those actions, 11% considering that those actions even encourage corruption.

Transparency International Romania has achieved analyses and comments concerning the current situation in Romania, showing the following:

- The Government's efforts in the fight against corruption are perceived as less effective by 39% of the public. The appreciations are similar also for Bulgaria, while in Turkey, only 25% of the respondents say that the fight against corruption is ineffective and 29% appreciate it as effective.
- Romania is doing better than the European Union, taking into consideration the perception, where 42% represents the average of negative perception related to the effectiveness of EU Member States Governments actions. Those results may be explained in this way: in the context of the pressures of accession into the European Union on 1 January 2007, in Romania, great efforts were done in the fight against corruption; its results, although insufficient were intensely promoted to population by officials.
- Within the framework of the anticorruption measures, Romania ratified United Nations Convention against Corruption [19] and on legislative level, there were fulfilled the obligations provided by the Convention concerning the protection of integrity alarm signals [20] and conduct codes for the civil servants [21]. However, TI Romania states: "the implementation of those measures remains in deficit as long as the law on protection of integrity alarm signals is still opaque for most of the employees in the public sector and the case law for sanctioning the civil servants is quasi lacking."

Coming back to the worldwide considerations, we shall reveal some conclusions from TI report for 2006, formulated under the header: "corruption is a worldwide problem" [22].

The arguments, although they are not new, are based on the social perception that corruption is a major problem, and at the public authorities level it is expressed by abuse of office for private gains. The practice of bribe influences the poor countries, no matter its forms of expression. The funds embezzlement diminishes the real allowances for public services, health or education. Government actions to stop corruption have been judged as lacklustre and ineffective.

In all countries analysed by TI, the corruption phenomenon greatly affects people lives. And above all, TI report emphasises the fact that political parties are involved in corruption equation.

I.2.1 Evaluating the social perception of corruption

The evaluation of the social perception on the level and coverage area of corruption phenomenon has marked in the last decade and a half, major preoccupations on behalf of international institutions, already above-mentioned.

We refer to the World Bank (WB) and Transparency International (TI). By its effects, corruption is not only a problem of public funds embezzlement or obtaining gains by the representatives of the political power; it has more serious consequences within the governance process and good administration on social, economic level.

Below, we shall focus on the evolution of corruption in some South and Eastern European countries, on one hand, and achievement of a comparative situation with the evolution of the corruption phenomenon in EU Member States, on the other hand. For Romania, country that recently acceded into the European Union, situated in South - East Europe, this analysis creates the premises to determine more realistic measures, aimed to inscribe our country on an ascending evolution concerning the corruption phenomenon.

I.2.1.1. Romania and South - Eastern European countries

Concerning TI index on evolution of corruption for South - Eastern European countries, Table 2 presents the current situation.

Graphic 1 presents a more suggestive image on the evolution of this phenomenon.

Some relevant conclusions for Romania, in the context of South - Eastern European countries derive from the descending trend of corruption, since 2003, on one hand, and from comparison with the average of TI corruption indices for the mentioned countries, on the other hand.

The second perspective leads to the following conclusions:

- Variance as statistical characteristic for the level of corruption, measured by TI perception indices is 0.031 for Romania and 0.010 for the average of the South - Eastern European countries, revealing a more increased rhythm for cutting off corruption in Romania related to the average of the other mentioned countries.
- Calculating Pearson correlation coefficient, we shall find out for Romania a very good correlation with the average of the South - Eastern European countries (0.917), Serbia (0.903), Greece (0.860) or Macedonia (0.834). With Turkey, the correlation coefficient is lower (0.663), with Bulgaria (0.253) and Albania (0.181) is extremely reduced, even closer to lack of a correlation connection from statistical point of view. The correlation is negative with Croatia (-0.837).

Trying a similar analysis, using KKM index from the available data [23], we obtain the data in Table 3 for South - Eastern European countries.

Graphic 2 presents a more suggestive image on the evolution of this phenomenon.

Table 3 and Graphic 2 reveal the consistence of the two methods for evaluating the social perception of corruption.

From the prospect of the analysis for Romania, we find out that 2002 marked the starting moment for a corruption cutting off process. At the same time, we find out that the corruption level in Romania is higher than the average of South - Eastern European countries.

Proceeding to a more detailed statistical analysis, we shall rediscover the conclusions previously exposed, when the analysis was achieved using TI index.

Using the input data of KKM indices, we reiterate the following conclusions:

- Statistical variance is 0.013 for Romania and 0.006 for the average of the South - Eastern European countries, revealing a more accelerated rhythm for cutting off corruption, related to the average of the mentioned countries.
- This time, Pearson correlation coefficients for Romania are positive only with Turkey (0.585) and Serbia (0.575), being negative with Greece (-0.973), Macedonia (-0.632) and with the other countries, the coefficient is almost zero, showing practically the lack of a correlation. The correlation with the average of the South - Eastern European countries is also reduced (0.259).

I.2.1.2. Romania and European Union countries

Both the period before accession and the recent accession of Romania into the European Union offer the opportunity for an integrated comparative analysis concerning the evolution of corruption in Romania in the context of the evolution of this phenomenon in European Union countries.

Using the available data on <http://transparency.org.ro>, for the period 2001 – 2006, we obtain an evolution for social perception of corruption, as presented in Graphic 3.

Obviously, for Romania and the other European countries, the comparison only in regard with corruption level leads to the conclusion that the level of corruption perception is highest. In other order of ideas, we find out that since 2002, the trend for cutting off corruption is ascending, as the average of the corruption indicators for EU countries.

At the same time, proceeding to a more detailed statistical analysis, we find out the following:

- The decreasing trend of corruption for Romania varies faster on a growing scale than EU average, as variance for Romania is 0.031 and only 0.014 for EU average.
- Pearson correlation coefficient is very high in the comparison between Romania and France (0.958), Czech Republic (0.949), Slovak Republic (0.896), Austria (0.890), Estonia (0.843), Germany (0.810), as well as EU average (0.906). Negative correlations for Romania are described by Pearson correlation coefficient, related to the Netherlands (-0,879), Luxembourg (-0,771), Spain (-0,619), Poland (-0,601), Italy (-0,591), Finland (-0,521), as well as Sweden (-0,209), United Kingdom (-0,103). Related to Lithuania, the model does not capture any correlation connection (0.0).
- Pearson correlation coefficient is very high in the comparison between Romania and France (0.958), Czech Republic (0.949), Slovak Republic (0.896), Austria (0.890), Estonia (0.843) as well as EU average (0.906). Negative correlations for Romania are described by Pearson coefficient related to the Netherlands (-0.879), Luxembourg

(-0.771), Spain (-0.619), Poland (-0.601), Italy (-0.591), Finland (-0.521), Sweden (-0.209), United Kingdom (-0.103). Related to Lithuania, the model does not capture any correlation connection (0.0).

Similar with the method used for comparative analysis in view of KKM index for all South - Eastern European countries, we shall attempt a similar analysis for all EU countries (Graphic 4).

This time, the comparison between the average of EU countries (MEANUE) and Romania reveals the following conclusions:

- At EU level, KKM index signalises a growing trend for corruption since 2003, unlike Romania, where the same index indicates a slight decreasing trend for corruption.
- We may argue the above conclusion also by calculating Pearson correlation coefficients and making their comparison. Thus, the respective coefficient indicates a negative correlation with EU average (-0.334) and at higher levels with Greece (-0.973), Italy (-0.808), Sweden (-0.605), Netherlands (-0.485), United Kingdom (-0.483) etc. Positive correlations are indicated only with Slovenia (0.408), Malta (0.475), Germany (0.227), Belgium (0.209), Austria (0.103).

In our opinion, additional to those presented, other two conclusions are important for a more profound analysis.

Thus, when comparing those two indices, different results occur significantly. Therefore, the first idea that could be operational relates to some aggregated corruption indices that cumulate the results regarding social perception. Such index will be presented, with experimental title even in this paper. On the other hand, we consider that in this complex mechanism for evaluating corruption, in the comparative analyses with EU countries a *dual effect* occurs between the real evolution of corruption and social perception in this regard. This effect originates from the stages of EU construction, precisely the periods previous to EU enlargement (we refer to enlargements from 2005 and 2007). On one hand, in older EU countries it is hard to believe that the corruption level has increased and on the other hand, in fact only the social perception has increased, due to social concerns about the effects of integrating new states, where this phenomenon registered more powerful levels and coverage areas. Thus a gap occurs between the real level of corruption and the social perception in this regard. It is obvious in the growing trend of corruption perception for many of older EU Member States. The situation is different for the countries that acceded recently, where the trend of corruption is decreasing both as perception and real situation, due to insistent anti corruption measures. We shall come back to this analysis when referring to the proposal about an aggregated model for corruption analysis based on KKM and TI indices.

I.3 Decentralization and corruption

The decentralization process represents a direct effect of globalisation in the public sector. Several specialised papers and studies have already approached the connection between decentralization and corruption. Without ignoring Rose-Ackerman's contributions and other outstanding contributions, the core ideas of our brief analysis take into consideration a recent study presented in The Policy Research Working Paper Series, by Anwar Shah (2006) [24]. For Romania, Andrei, T. (2007) achieved a relevant study [25].

In Romania, public administration reform in the area of decentralization and devolution includes three major elements: continuing decentralization by transfer of competences and administrative and financial responsibilities from central to local public administration authorities; continuing the devolution process by delegation of responsibilities in the territory, depending on the needs on local level, within the same administrative structure (the devolved services are subordinated to the ministry that delegated the responsibility); transforming the devolved services in territory, depending on citizens' needs into decentralised services under local authorities' responsibility. It is unanimously recognised the fact that the decentralization process and corruption could determine significant negative effects on economic and social level, on medium and long term.

Andrei, T. (2007) achieves a study aimed to determine some characteristics of corruption in local public administration. The research was achieved on a representative sample of mayors of Romanian localities during November – December 2005.

In order to create the sample, a cluster-type technique was used, the volume of the sample representing 9% from the total population of mayors. All mayors from seven counties were interviewed, the counties were randomly extracted. The error for estimating the parameters at the reference population level is plus/minus 1.2%.

The questionnaire comprised questions on measuring the mayors' opinion about actual issues concerning public administration reform, namely: civil service management, civil servants' in-service training, local public administration reform by continuing the decentralization process, ensuring the training of elected officials on topics specific for local public administration, corruption, changes in the technical body from administration under the pressure of the political factor, quality of communication in the reform process etc. We shall use the database from the prospect of analysing the characteristics of corruption phenomenon in local public administration and identifying some characteristics of the decentralization process. A logistic model will be defined for corruption analysis. The analysis on the database aims to identify the mayors' position related to corruption in local public administration, thus estimating the amplitude and causes.

Within the framework of the study, based on the data recorded for the sample, the corruption phenomenon is signalled especially by the mayors that consider citizens to be directly involved in relevant decision-making on community level. Thus, Pearson correlation coefficient between the two variables is 0.315, significant for a threshold of 1%. This characteristic emphasises a direct cause for occurrence and maintaining of corruption phenomenon, namely lack of transparency in decision-making in public institutions from local public administration.

In the context of decentralization, the study states: "corruption together with other factors contributes directly to low quality for service provision by a local public administration. The study defines the derivate variable: "Extent in which local public administration achieves its core functions" (Q5), as average of four variables, defining core functions: a) administrating and managing the public goods and funds at local level (Q1); b) ensuring basic services on local level (health, social security, education, culture, military etc.) (Q2); c) prognosis and economic-social development (Q3); and d) organisation (Q4). In order to quantify the mayors' opinion related to the extent in which local public administration achieves its core functions, a scale of ordinal measure was defined with the following items: 1- very low extent, 2- low extent, 3 – great extent, 4- very great extent. Table 4 presents the characteristics of the four primary variables and derivate variable.

In the current study about decentralization, the mayors' vision is that local public administrations can fulfil their core functions only on a low extent; the less favourable situation is the low capacity of prognosis and economic-social development at local level, and ensuring basic public services. The low capacity of local administrations in basic service provision is determined directly by inadequate administration and management of public goods and funds on local level (Pearson coefficient is 0.549) and low organisational capacity (0.563).

I.4. Public Integrity Systems

As known, the country studies entitled *National Integrity System*, achieved by Transparency International are reports of analysis, presenting a detailed evaluation of the national systems for the fight against corruption.

At the same time, in Transparency International (TI) conception, the National Integrity Systems (NIS) comprise “key institutions, laws and practices (the ‘pillars’) that contribute to integrity, transparency and accountability in a society. “ [26]

The perspectives of the analysis and modelling the corruption phenomena, aimed by our paper, are supported by the country studies that provide both an overview on NIS, the indicators for measuring the subsequent progresses from those countries, as well as a basis of comparisons among states.

The above-mentioned country study asserts: “when it functions correctly, NIS fights against corruption as part of a broader fight against the abuse of power, law infringement and fraud under all its forms” [27].

Ideas and studies about public integrity and description in this context of the role of important “pillars” have been also developed by other institutions. For example, The Economic Development Institute of the World Bank, in 1998 approaches the role of Supreme Audit Institutions (SAI) in promoting the responsibility and transparency within the governance process. Concerning public integrity, Dye, M.K. and Stapenhurst, R., (1998) appreciate: “building strong institutions is a central challenge of development and is a key to controlling corruption’ [28].

Within the concept developed by the mentioned authors, “the integrity pillars” are as follows [29]:

- political will;
- administrative reforms;
- “watchdog” agencies (Anti-corruption agencies; Ombudsman; Auditor general)
- parliaments;
- public awareness/involvement;
- the judiciary
- the media;
- the private sector.

Previous to this study, we remark Pope, J.’s contributions (1997) [30] on development of the national integrity systems.

I.4.1. Stages in developing the National Integrity System in Romania

The country study on NIS for Romania has been elaborated since 2005. Synthesising the analysis achieved in the study from 2005 in developing the National Integrity System, in Romania, three stages [31] could be revealed up to present:

1990 – 1998

- The period coincides with the first half of the transition period;
- The main exponents of the national public integrity were the Parliament and Government, that did not elaborate a public policy to promote the public integrity;
- The Judiciary had no capacity to adjust the deficiencies of the other 2 powers in the state;
- The social perception on the public pillars reveals a high degree of corruption, just in the interior of most of the public integrity pillars;
- The civil society was not concerned with corruption, focusing on ensuring the basic requirements of democracy, rule of law and respect for human rights;
- The international institutions were concerned about the economic and democratic reforms.

1999 – 2004

- The second stage coincides with the beginning of the negotiations of accession into the European Union;
- The international agencies have expressed their interest towards the Romanian public integrity system (programmes were initiated and political pressures were exerted for reforms);
- The main pillars of integrity – the Executive and Legislative – have realised the seriousness of the national corruption level;
- In 2001, the Government elaborated a National Anticorruption Strategy and the National Anticorruption Prosecutor's Office was set up;
- Other NIS pillars were strengthened, such as Ombudsman or Court of Audit.
- The progresses have determined Romania to become NATO member and closing the negotiations for accession into the European Union;
- The other pillars: Parliament, justice, police have not recorded progresses;
- The civil society was focused on the fight against corruption, adding on the public agenda law drafts, essential for public integrity;
- The public policies designed to ensure the cooperation between pillars were inconsistent, proving a low capacity of implementation and reduced political will.

2005 – present

- The third period coincides with signing the Treaty of Romania Accession into the European Union;
- The main political criteria were fulfilled;
- Romania should implement effectively EU standards in the area of justice concerning corruption level, competition and control in customs.

I.4.2. Social perception of NIS pillars

After Romania accession into the European Union, the National Integrity System has created significantly its own mechanisms of interaction, designed to lead to a better accomplishment of its mission.

The research concerning social perception on the efficiency level of NIS pillars was achieved during January – February 2007, on a sample comprising 700 employees from the public sector, based on some characteristics of civil servants corps: age, sex, length in service, current job, level of civil service position.

From the respondents, 34% worked in central administration and the rest in local administration, out of which 26.1% in city halls and 14.1% in county and local councils.

Judging the results obtained, on average, by each variable associated to the integrity pillars, the research reveals important issues (Table 5).

Graphic 5 presents the variance of social perception on a scale from 1 to 4.

The perspective of a coherent action in the fight against corruption derives from research, using a statistical analysis of Pearson correlation coefficient. Thus, between NIS pillars there are different degrees of correlation, as follows: the most powerful correlation is between Parliament and Government (0.762) or Judiciary System (0.708). A medium correlation exists between Parliament and Control Institutions (0.629) or Ombudsman (0.603) and a lower correlation between the same Parliament and Court of Audit (0.458), Political System (0.485), Media (0.456), Civil society (0.474) or International Organisations (0.493).

Conclusions

The aspects presented in this paper represent a brief synthesis about corruption in the context of economic, social and political development of Romania.

The globalisation processes with direct consequences also on the public sector determine a high degree of generality for various forms of corruption, on one hand and impose generalization of mechanisms and means for the fight against corruption, on the other hand.

The National Integrity System represents such a mechanism, of great complexity that becomes operational since Romania accession into the European Union.

The analysis on the corruption phenomenon within the framework provided by NIS creates the premises of an overwhelming action by all actors. Only after few years since application of this mechanism, the social perception is not very high. This fact is revealed also by the sociological research, presented in this paper.

The analysis on the statistical correlation determines new directions for NIS development as well as the necessity to create more effective coordination mechanisms.

Concerning the social perception of corruption, we come back to an important finding of the current study. It regards the dual effect induced in the social awareness, where in a first perspective in the older EU countries it occurs the perception of increased corruption, and in other perspective in the recent EU countries, perception is contrary, even not supported by reality.

It is worth to pay attention to this effect, for a series of further studies, as well as to conceiving and making operational some aggregated indicators of corruption perception, leading to compatible results, closer to reality.

References:

- [1] Rose-Ackerman, S., (1999), "Corruption and Government. Causes, Consequences and Reform", Cambridge University Press, Part I, pp 7-88.
- [2] Idem, Part II, pp 89 – 110.
- [3] Idem, Part III, pp 111 – 174.
- [4] OECD, (1995), "Governance in Transition: Public Management Reforms in OECD countries", edition in Romanian language, Editura Economica, Bucharest, Romania, pp 17.
- [5] Stiglitz, E.J., (2002), "Globalization and its Discontents", edition in Romanian language, Editura Economica, 2005, Bucharest, Romania, pp 9.
- [6] Idem, pp 121-123.
- [7] Idem, pp 206, 213, 252, 272.
- [8] Idem, pp 103.
- [9] Sen, A. (2000), "Development as Freedom", edition in Romanian language, Editura Economica, 2004, Bucharest, Romania, pp 171-180.
- [10] Idem, pp 179.
- [11] Idem, pp 180.
- [12] Idem, pp 337.
- [13] Idem, pp 338.
- [14] Campante, R.F., Chor, D., Do, Quoc-Anh, (2005), "Instability and the Incentives for Corruption", Harvard University, pp2.
- [15] Sen, A., (2000), Op. cit, pp. 339
- [16] Bruno, M., (1996), "Inflation, Growth and Monetary Control: Non-linear Lessons from Crisis and Recovery", Paolo Baffi Lecture, Rome, Bank of Italy, pp 7-8.
- [17] Transparency International, "Global Corruption Barometer 2006", pp.16.
- [18] Idem, pp. 14
- [19] Law no. 365/2004 on ratifying United Nations Convention against Corruption, adopted in New York on 31 October 2003, OJ of Romania, no. 903/5 October 2004.
- [20] Law no. 571/2004 on protection of personnel in public authorities, public institutions and other units, signalling law infringements, OJ of Romania, no. 1214/17 December 2004.
- [21] Law no. 7/2004 on the Conduct Code of Civil Servants, OJ of Romania, no. 157/23 February 2004.
- [22] TI, "Global Corruption Barometer, 2006", pp 18.
- [23] Kaufmann, D., Kraay, A., Mastruzzi, M., (2006), "Governance Indicators: 1996 - 2005. Global Comparative Charts", [http:// www.worldbank.org/wbi/governance/esp/pubs](http://www.worldbank.org/wbi/governance/esp/pubs).
- [24] Shah, A., (2006), "Corruption and Decentralized Public Governance", The Policy Research Working Paper Series, 3824, <http://econ.worldbank.org>
- [25] Andrei, T., (2007), "Local governance and corruption of a country in the process of joining the European Union", CEEEX Project 05-08-65/11.10.2005, Corruption and quality of services in the public sector in a European integrated context.

[26] National Integrity System. Country Study. Romania 2005, Transparency International Romania, pp.1

[27] Idem, pp. 1

[28] Dye, M., K., Stapenhurst, R., (1998), “Pillars of Integrity: The Importance of Supreme Audit Institutions in Curbing Corruption”, Washington D.C.: World Bank

[29] Idem, pp 3-4.

[30] Pope , J., (ed), (1997), “National Integrity Systems: The T.I. Source Book”, second edition, Washington D.C.: The World Bank

[31] Matei, A., (2006), “Corruption Transparency and Quality. Comparative Approaches and Judiciary Support” in “Transformation of the Role of the Judiciary within a European Integrated Context”, Esperia Publications Ltd., London, pp.127-142.

Table 1 Evolution of the corruption level during 2004 – 2006

Sector/institution	2004	2005	2006
1	2	3	4
Political parties	4.0	4.0	4.0
Parliament/ Legislature	3.7	3.7	3.7
Police	3.6	3.6	3.5
Judiciary System	3.6	3.5	3.5
Tax revenue	3.4	3.4	3.3
Business/ private sector	3.4	3.4	3.6
Customs	3.3	3.3	-
Media	3.3	3.2	3.3
Medical services	3.3	3.2	3.1
Education system	3.1	3.0	3.0
Registry and permit	3.0	2.9	2.9
Public services	3.0	3.0	3.0
The military	2.9	2.9	3.0
NGOs	2.8	2.8	2.9
Religious bodies	2.7	2.6	2.8

Source: TI, “Global Corruption Barometer”, 2004, 2005, 2006

Table 2 Evolution of corruption (TI) in South-Eastern European countries

Country	Year					
	2001	2002	2003	2004	2005	2006
Albania	-	2.5	2.5	2.5	2.4	2.6
Bulgaria	3.9	4.0	3.9	4.1	4.0	4.0
Croatia	3.9	3.8	3.7	3.5	3.4	3.4
Greece	4.2	4.2	4.3	4.3	4.3	4.4
Macedonia	-	-	2.3	2.7	2.7	2.7
Romania	2.8	2.6	2.8	2.9	3.0	3.1
Serbia	-	-	2.3	2.7	2.8	3.0
Turkey	3.6	3.2	3.1	3.2	3.5	3.8
Average	3.19	3.11	3.11	3.24	3.26	3.38

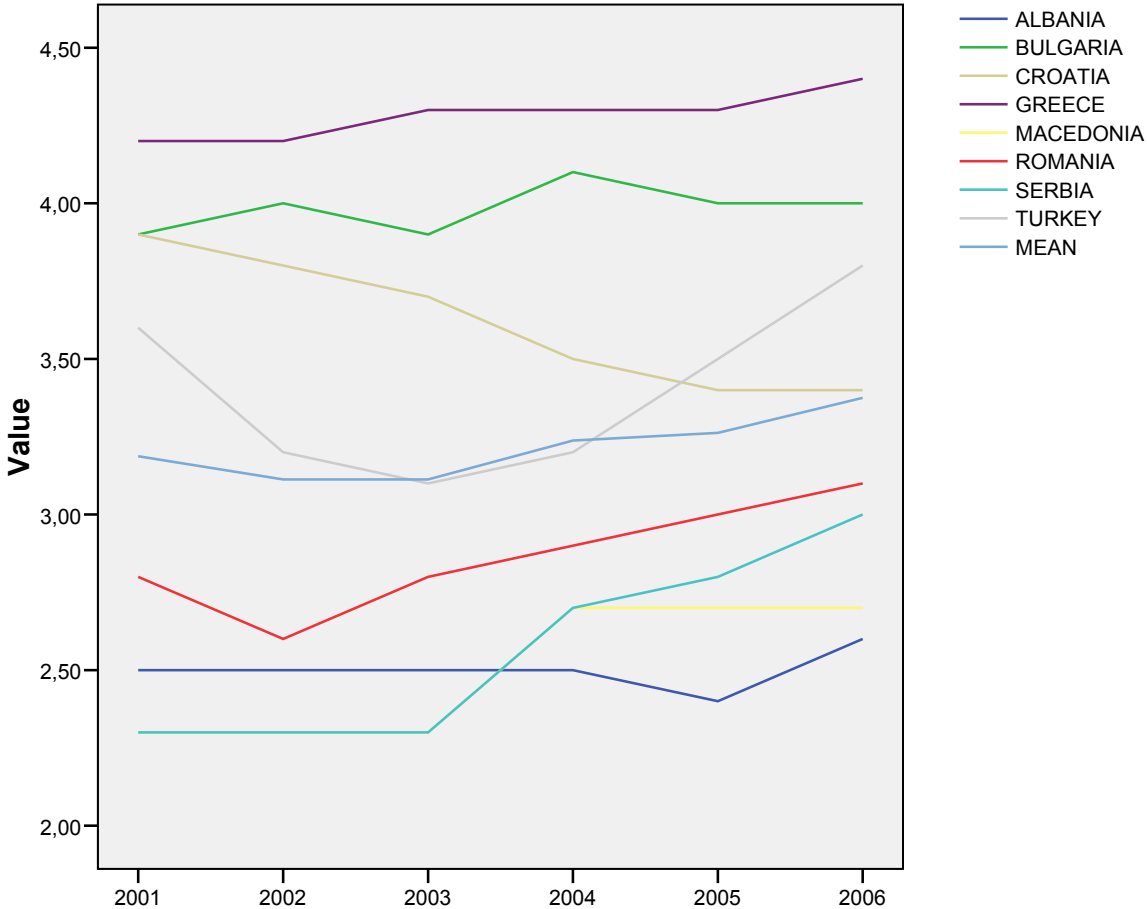
Source: <http://www.transparency.org>

Table 3 Evolution of corruption (KKM) in South - Eastern European countries

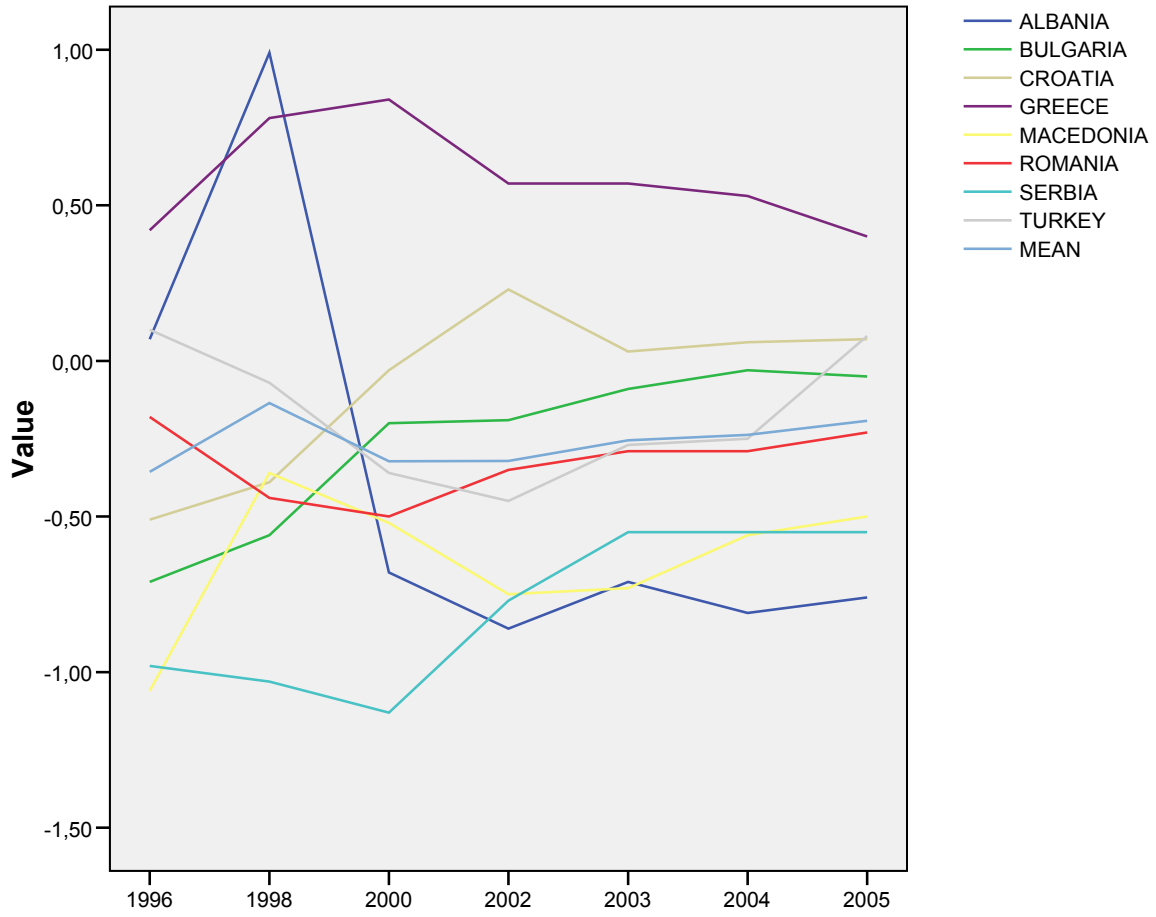
Country	1996	1998	2000	2002	2003	2004	2005
Albania	0.07	0.99	-0.68	-0.86	-0.71	-0.81	-0.76
Bulgaria	- 0.71	-0.56	- 0.20	- 0.19	- 0.09	- 0.03	- 0.05
Croatia	- 0.51	- 0.39	- 0.03	0.23	0.03	0.06	0.07
Greece	0.42	0.78	0.84	0.57	0.57	0.53	0.40
Macedonia	- 1.06	- 0.36	- 0.52	- 0.75	- 0.73	- 0.56	- 0.50
Romania	- 0.18	- 0.44	- 0.50	- 0.35	- 0.29	- 0.29	- 0.23
Serbia	- 0.98	- 1.03	- 1.13	- 0.77	- 0.55	- 0.55	- 0.55
Turkey	0.10	- 0.07	- 0.36	- 0.45	- 0.27	- 0.25	0.08
Average	- 0.36	- 0.14	- 0.32	- 0.32	- 0.26	- 0.24	- 0.19

Source: http://info.worldbank.org/governance/kkz2005/sc_country.asp

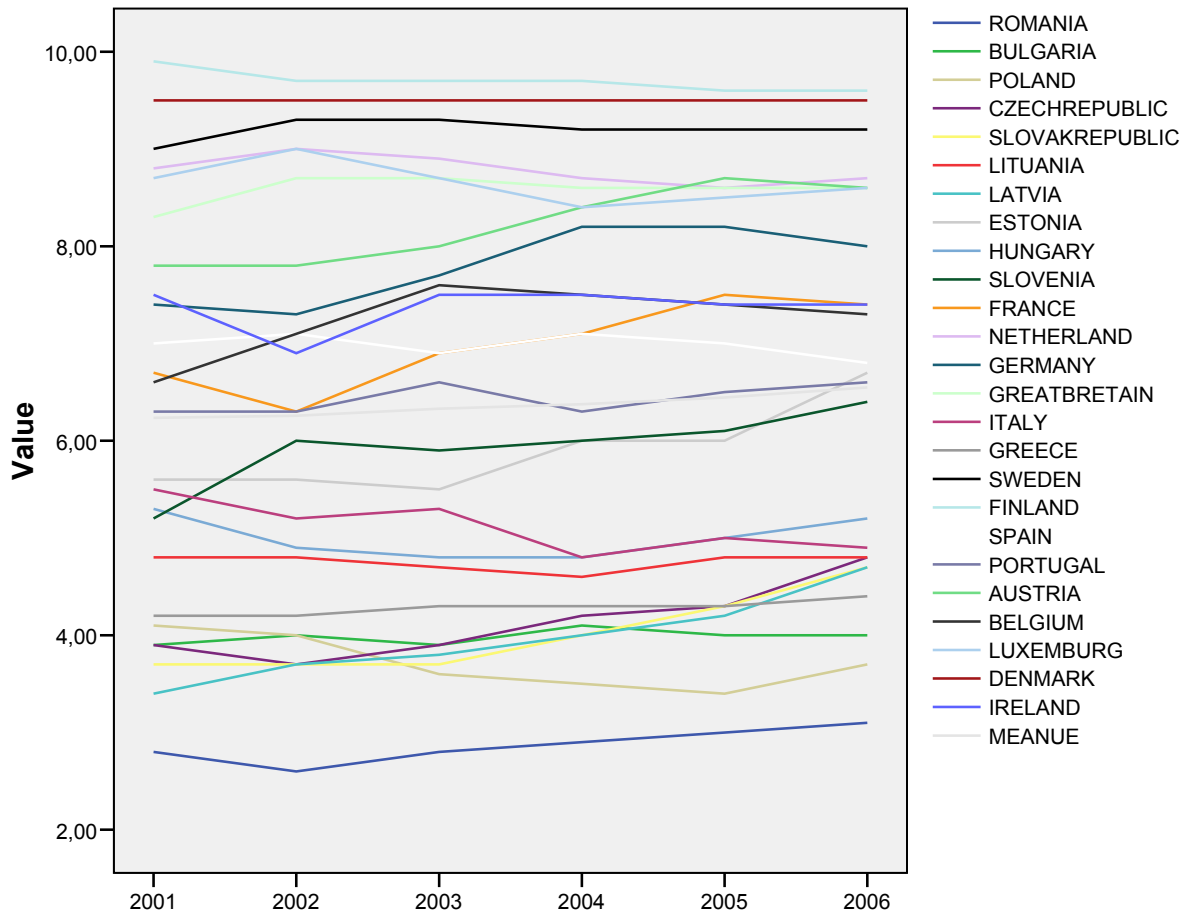
Graphic 1 Evolution of TI corruption perception index in South – East Europe.



Graphic 2 Evolution of KKM corruption perception index in South - Eastern European countries.



Graphic 3 Evolution of IT corruption index for EU countries.



Graphic 4 Evolution of KKM corruption index for EU countries

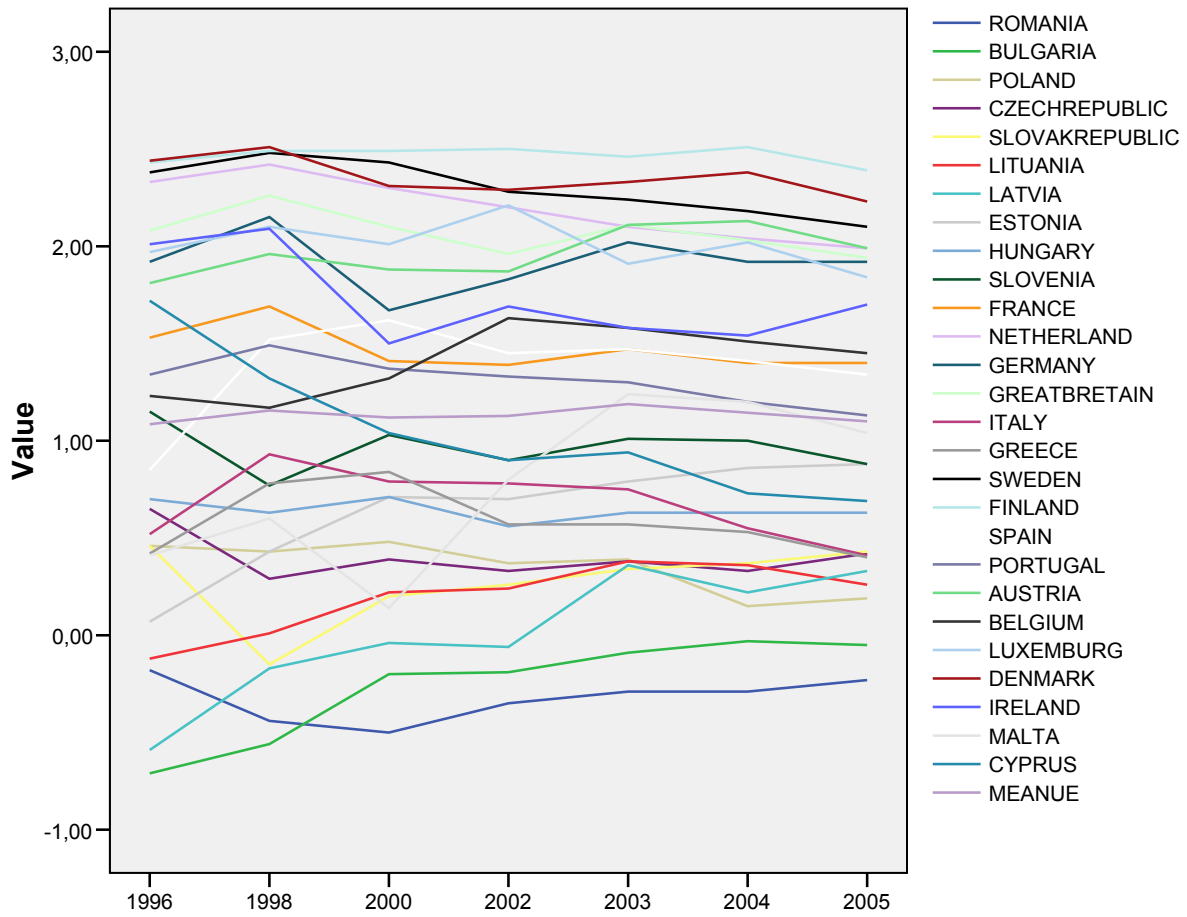


Table 4 Characteristics of the variables Q1... Q5

Variable	Average	Standard deviation	Matrix for correlating the primary variables			
			Q1	Q2	Q3	Q4
Q1	2.79	0.701	1	0.549*	0.317*	0.521*
Q2	2.38	0.755		1	0.534*	0.563*
Q3	2.27	0.798			1	0.515*
Q4	2.70	0.779				1
Q5	2.53	0.600	-	-	-	-

* significant value for a threshold equal to 1%.

Table 5 Statistic average for social perception on NIS pillars (using a scale from 1 to 4).

Pillar	Average	Pillar	Average
Parliament	1.621	Government	1.729
Judiciary System	1.925	Audit	2.338
Ombudsman	1.794	Control	2.028
Civil servants	2.369	Political System	2.516
Political System	2.206	Public Procurement	2.014
Media	2.948	Civil Society	2.928
Internationals Organisations	2.864		

Graphic 5. Evolution of social perception on integrity pillars

